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| 10/026,747 | 12/20/2001 | Janat Horn | 74622-0034 | 2100 |

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| EXAMINER |
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ALI, MOHAMED HATEM

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| ART UNIT | PAPER NUMBER |
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3609

| SHORTENED STATUTORY PERIOD OF RESPONSE | MAIL DATE | DELIVERY MODE |
|--|------------|---------------|
| 3 MONTHS | 02/28/2007 | PAPER |

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

| | | | |
|------------------------------|--------------------------------------|------------------------------------|--|
| Office Action Summary | Application No. 10/026,747 | Applicant(s) HORN ET AL. | |
| | Examiner Mohamed H. Ali | Art Unit 3609 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 December 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-33 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12/20/2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date <u>12/10/2002</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) The invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1-2,4-7,10-11,17-18, 20-23, 26-27 & 33 are rejected under 35 U.S.C. 102(e) as being anticipated by Wu et al (US 2002/0128950 A1).

As per claim 1, Wu et al discloses the transaction comprising borrowing of securities, the system comprising:

a database containing securities availability data, (see [0035 & 0039]);

a client computer, (see [0030] via user terminal 14); and

a server computer, (see [0030] via server 20), wherein the server computer:

receives a securities borrow request transmitted by the client computer (see [0037] via commands 19 inputted at user terminal 14);

evaluates the borrow request based upon approval criteria (see [0038]), the approval criteria comprising availability of the requested securities, availability being determined by the server computer utilizing the securities availability data;

generates, based upon the evaluation, an approval determination (see [0033] via software 30 for monitoring market price fluctuation 70 executes on server 20 and monitors the financial markets on a continuous basis);

transmits to the client computer an indication of the generated approval determination (see [0039], system 10 may transmit notification to user terminal 14); and

If any portion of the securities borrow request is determined to be approved, causes the securities availability data in the database to be updated to reflect a decrease in securities availability resulting from the approval (see [0035] via updating database 16 when conditions are satisfied).

As per claim 6, Wu et al further discloses the system comprising:

a trading computer (see [0044] via short sell on the market with ones account holder as third party having trading computer for online trading); and

evaluates the securities borrow request based upon approval criteria (see [0038], the approval criteria comprising availability of the requested securities, availability being determined by the server computer utilizing the securities availability data;

if possible based upon the evaluation, generates an approval determination (see [0033];

transmits to the client computer an indication of a status of the approval determination (see [0039]);

if the approval determination could not be generated for a first portion of the securities borrow request based upon the approval criteria, transmits an indication to the trading computer of a pending status of the first portion, and receives from the

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trading computer a trading computer approval determination relating to the first portion, the trading computer approval determination having been into the trading computer (see [0018 & 0044] via the system permits for part or whole with third party in the market account holder to make business with) ; and

if any portion of the securities borrow request is determined to be approved, causes the securities availability data in the database to be updated to reflect a decrease securities availability resulting from the approval (see [0035] via updating database 16 when conditions are satisfied).

As per claims 2 and 7 Wu et al discloses the approval determination is automatically generated (see [0034] via system 10 automatically executing a sale of asset).

As per claims 4 and 10, Wu et al discloses the securities borrow request is entered into the client computer by a broker before the securities borrow request is transmitted to the server computer (See [0007] via generally one can borrow any stock from an online broker and sell it on the market).

As per claims 5 and 11, Wu et al discloses the securities borrow request is to facilitate an anticipated short sale transaction (see [0044] where short sell is defined)

As per claims 17 and 22, Wu et al discloses a method for facilitating the transaction comprising borrowing of securities, the method comprising:

the client computer transmitting a securities borrow request to the server computer(see[0037] via commands 19 inputted at user terminal 14);

the server computer receiving the securities borrow request and evaluating the securities borrow request based upon approval criteria, the approval criteria comprising availability of the requested securities, the availability being determined by the server computer utilizing securities availability data contained in a database accessed by the server computer(see[0037] via commands 19 inputted at user terminal 14 and see[0038]);

the server computer generating, based upon the evaluation, an approval determination (see[0033] as stated before);

the server computer transmitting to the client computer an indication of the generated approval determination(see[0039] as stated before); and

if any portion of the securities borrow request is determined to be approved, the server computer causing the securities availability data in the database to be updated to reflect a decrease in securities availability resulting from the approval (see [0035] as stated before); and

the server computer transmitting to the client computer an indication of a status of the approval determination could not be generated for a first portion of the securities borrow request based upon the approval criteria, the server computer transmitting an indication to the trading computer of a pending status of the first portion, and receiving from the trading computer of a pending status of the first portion, and receiving from the trading computer a trading approval determination regarding the first portion, the trading computer approval determination having been entered into the trading computer (see[0018 , 0020 & 0044] via software system indicates and permits part or whole selling

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with third party in the market account holder as trading computer to make business with); and

if any portion of the securities request is determined to be approved, the server computer causing the securities a availability data in the database to be updated to reflect a decrease in securities availability resulting from the approval (see [0035] via updating database 16 when conditions are satisfied).

As per claims 18 and 23, Wu et al the approval determination is automatically generated (see [0034] via system 10 automatically executing a sale of asset).

As per claims 20 and 26, Wu et al securities borrow request is entered into the client computer by broker before the securities borrow request is transmitted to the computer (see [0007] as stated before).

As per claims 21 and 27, Wu et al securities borrow request is to facilitate an anticipated short sale transaction (see [0044] where short sell is defined).

As per claim 33, Wu et al discloses a computer usable medium storing program code which, when executed on a computerized device, causes the computerized device to execute, in a networked computer system comprising a server computer, a client computer, and a trading computer, a method for facilitating transactions, the transactions comprising borrowing securities, the method comprising:

the client computer transmitting a securities borrow request to the server computer (see [0037] via commands 19 inputted at user terminal 14);

the server computer receiving securities borrow request and evaluating the securities borrow request based upon approval criteria (see [0038]), the approval

criteria comprising availability of the requested securities, the availability being determined by the server utilizing securities availability data contained in a database accessed by the server computer;

if possible based upon the evaluation, the server computer generating an approval determination (see [0033] via software 30 for monitoring market price fluctuation 70 executes on sever 20 and monitors the financial markets on a continuous basis);

the server computer transmitting to the client computer an indication of a status of the approval determination (see [0039] via system 10 may transmit notification with status to user terminal 14);

if the approval determination could not be generated for a first portion of the securities borrow request based upon the approval criteria, the server computer transmitting an indication to the trading computer of a pending status of the first portion, and receiving from the trading computer a trading computer approval determination, the trading computer approval determination having been entered into the trading computer (see [0018,0020 & 0044] via system software permit indication with server 20 & third party in the market account holder to make business with); and

if any portion of the securities borrow request is determined to be approved, the server computer causing the securities availability data in the database to be updated to reflect a decrease in securities availability resulting from the approval (see [see [0035] via updating database 16 when conditions are satisfied).

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 3, 8,9,19,24 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wu et al in view of Young (US2002/0194110 A1).

Wu et al discloses all the elements of the claimed invention, but fails to disclose about the security borrow request is transmitted securely an object of the invention to provide a web-based system for facilitating on line trading of financial asset.

Young discloses about all electronically secured transaction (transmission) within the graphical user interface (e.g. logging in) and (see [0036]).

Therefore, from the teaching of Young it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify on line trading system of Wu et al to include the secured logging transmission of security borrow request as taught by Young in order to provide a secured network.

As per claims 8 and 24, Wu et al discloses the elements of the claimed invention, but fails to explicitly disclose the trading computer approval determination to be a manual determination.

Young discloses the concept of having a computer approval manual determination by implementing a forward conversion strategy via a substantially

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manual process (see [0007]), to be performed by the third party, market trading computer-one's account holder.

Therefore, from the teaching of Young it would have been obvious to one of ordinary skill in the art at the time invention was made to modify the online trading system of Wu et al to include the manual approval determination as taught by Young in order to facilitate trading orders (see[0007]).

6. Claims 12 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wu et al in view of Blauvelt (US 2002/0188553 A1).

Wu et al discloses all elements of the claimed invention, but fails to explicitly disclose the server computer determines, for any approved securities borrow request, based on stored interest rate criteria, an applicable interest rate, and wherein the interest rate is transmitted to the client computer.

Blauvelt discloses in [0008] the concept of financing trade including determining interest rate of current and forward trades.

Therefore, from the teaching of Blauvelt it would have been obvious to one of ordinary skill in the art at the time invention was made to modify the online trading of Wu et al to include the interest rate criteria as taught by Blauvelt in order to secure the borrowed short term loan of a cash lending entity.

7. Claims 13-16 and 29-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wu et al in view of Mosler et al (US 6,304,858 B1).

Wu et al discloses all elements of the claimed invention, but fails to explicitly disclose a spreadsheet application to allow the user to store and transmit selected set of securities borrow requests to the server computer in a set time.

Mosler discloses the concept of having a spreadsheet program (as mentioned in Fig. 11 column 18, lines 56-67) for implementing all spreadsheet program for application works including calculations for future yields to the server computer.

Therefore, from the teaching of Mosler et al it would have been obvious to one of ordinary skill in the art at the time of invention was made to modify the online trading of Wu et al to include the spreadsheet and set time as taught by Mosler et al in order to facilitate calculations of present and future yields.

Conclusion

8. The prior arts made of record and not relied upon are considered pertinent to applicant's disclosure.

Kanagawa et al (US 2001/0056413 A1) discloses with its secured transaction having ID and password system to the memory of the electronic apparatus.

Takeshi (US 2002/0194109 A1) discloses about the interest rate and rebate system with the transaction of the financial asset.

Thompson (US 2002/0026404 A1) discloses about application timer to set for fixing any time with the purpose.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Mohamed H. Ali whose telephone number is 571-270-3021. The examiner can normally be reached on 7-30 to 5.00.


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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Lynda Jasmin can be reached on 571-270-3033. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Mohamed H Ali
Examiner
Art Unit 3609

MA

 2/20/07
LYNDA JASMIN
SUPERVISORY PATENT EXAMINER